

ORDER NO. 1706

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Robert G. Taub, Vice Chairman;
Mark Acton;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Parcel Return Service
Parcel Return Service Contract 4

Docket No. MC2013-46

Competitive Product Prices
Parcel Return Service Contract 4 (MC2013-46)
Negotiated Service Agreement

Docket No. CP2013-60

NOTICE AND ORDER CONCERNING PARCEL RETURN SERVICE CONTRACT 4
NEGOTIATED SERVICE AGREEMENT

(Issued April 30, 2013)

I. INTRODUCTION

Pursuant to 39 U.S.C. 3642 and 39 CFR 3020.30 *et seq.*, the Postal Service filed a request and associated supporting information to add Parcel Return Service Contract 4 to the competitive product list.¹ The Postal Service asserts that Parcel

¹ Request of the United States Postal Service to Add Parcel Return Service Contract 4 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, April 29, 2013 (Request).

Return Service Contract 4 is a competitive product “not of general applicability” within the meaning of 39 U.S.C. 3632(b)(3). *Id.* at 1. The Request has been assigned Docket No. MC2013-46.

The Postal Service contemporaneously filed an agreement related to the proposed new product (Agreement). *Id.* Attachment B. The Agreement has been assigned Docket No. CP2013-60.

Request. In support of its Request, the Postal Service filed six attachments:

- Attachment A—a redacted copy of Governors’ Decision No. 11-6;
- Attachment B—a redacted copy of the Agreement;
- Attachment C—a proposed change in the Mail Classification Schedule competitive product list;
- Attachment D—a Statement of Supporting Justification as required by 39 CFR 3020.32;
- Attachment E—a certification of compliance with 39 U.S.C. 3633(a); and
- Attachment F—an application for non-public treatment of materials to maintain redacted portions of the Agreement and supporting documents under seal.

In the Statement of Supporting Justification, Dennis R. Nicoski, Manager, Field Sales Strategy and Contracts, asserts that the service to be provided under the Agreement will cover its attributable costs, make a positive contribution to institutional costs, and increase contribution toward the requisite 5.5 percent of the Postal Service’s total institutional costs. *Id.* Attachment D at 1. Thus, Mr. Nicoski contends there will be no issue of subsidization of competitive products by market dominant products as a result of this contract. *Id.*

Related contract. A redacted version of the Agreement is included with the Request. The Agreement will become effective 1 business day following the day that the Commission provides all necessary regulatory approval. *Id.* Attachment B at 2. The Agreement is scheduled to expire 3 years after its effective date but may be terminated

earlier by either party with 30 days' written notice. *Id.* The Postal Service represents that the Agreement is consistent with 39 U.S.C. 3633(a). *Id.* Attachment E.

The Postal Service filed much of the supporting materials, including the Agreement, under seal. *Id.* Attachment F. It maintains that the Agreement and related financial information, including the customer's name and the accompanying analyses that provide underlying costs and assumptions, pricing formulas, and information concerning the customer's mailing profile, should remain confidential. *Id.* Attachment F at 3. It also requests that the Commission order that non-public treatment of all customer-identifying information be extended indefinitely, instead of ending after 10 years. *Id.* at 7.

II. NOTICE OF FILINGS

The Commission establishes Docket Nos. MC2013-46 and CP2013-60 for consideration of the Request pertaining to the proposed Parcel Return Service Contract 4 product and the related Agreement, respectively.

Interested persons may submit comments on whether the Postal Service's filings in the captioned dockets are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642 and 39 CFR part 3015 and 39 CFR 3020, subpart B. Comments are due no later than May 7, 2013. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Kenneth R. Moeller to serve as Public Representative in these dockets.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket Nos. MC2013-46 and CP2013-60 for consideration of the matters raised in each docket.

2. Pursuant to 39 U.S.C. 505, Kenneth R. Moeller is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
3. Comments by interested persons in these proceedings are due no later than May 7, 2013.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary